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INDA LINGLE GOVERNOR

JAMES R. AIONA, JR. LT. GOVERNOR



STATE OF HAWAII DIVISION OF CONSUMER ADVOCACY DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 326 P.O. Box 541 HONOLULU, HAWAII 96809 Phone Number: 586-2800 Fax Number: 586-2780 www.hawaii.gov/dcca/dca

April 3, 2007

The Honorable Chairman and Members of the Hawaii Public Utilities Commission Kekuanaoa Building 465 South King Street, 1st Floor Honolulu, Hawaii 96813

Dear Commissioners:

RE: Docket No. 2006-0386 -- Application of Hawaiian Electric Company, Inc. For Approval of Rate Increases and Revised Rate Schedules and Rules.

By Order No. 23262 filed on February 15, 2007 in the above docketed matters, Hawaiian Electric Company, Inc. ("HECO") and the Division of Consumer Advocacy ("Consumer Advocate") were required to submit a stipulated procedural schedule for the Commission's review and consideration within thirty days from the date of the Order. On January 10, 2007 and February 22, 2007 Motions to Intervene were filed by Life of the Land ("LOL") and the Department of Defense ("DOD"), respectively. On January 18, 2007 HECO filed a Motion in Opposition to LOL's Motion to Intervene. HECO has not to-date filed a Motion in Opposition to DOD's Motion to Intervene. It should also be recognized that in prior rate applications filed by HECO, DOD's Motion to Intervene has been granted since DOD is a large power customer whose interest may not be represented by the Consumer Advocate, who must statutorily represent all of HECO's customers.¹

By letter dated March 16, 2007, HECO requested an extension of time, until March 27, 2007 to submit the stipulated procedural schedule. That request was granted by letter dated March 21, 2007. By letter dated March 27, 2007, HECO requested a second extension of time, to April 3, 2007 to submit the stipulated procedural schedule. The request was made because HECO and the Consumer Advocate had not been able

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MARK E. RECKTENWALD SKD

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
BC/RVD/JM

SI/DA

LYK/WT

PUBLIC UTILITIES COMMISSION

See for example Docket Nos. 5081, 6998, 7700, 7766, and 04-0113 wherein DOD was a party to the docket.

The Honorable Chairman and Members of the Hawaii Public Utilities Commission Page 2 April 3, 2007

to discuss a procedural schedule in light of the many other docketed matters on which each party was focusing during the past few weeks.²

The Consumer Advocate and HECO have been negotiating a schedule and hopefully will be able to reach agreement in the coming days. As a result, the parties request a two week extension until no later than April 17, 2007 to file a stipulated procedural schedule. The Consumer Advocate and HECO will file the stipulated procedural schedule as soon as agreement is reached.

However, the Consumer Advocate notes that it is reasonable to expect that the parties to a docket would want their motions to intervene to be ruled on as soon as possible so that if the parties are admitted either as an intervenor or participant, the party may timely commence discovery in accordance with the schedule that is currently being negotiated so as to not disrupt the agreed upon procedural schedule. This will also preserve the party's ability to have sufficient time to complete its analysis and formulate a recommendation for the Commission's consideration. The Commission's timely consideration of the Motions to Intervene would thus be appreciated.

We have discussed this request with HECO and have been informed that they do not object.

Sincerely yours,

Chuye & Kikuta

Utilities Administrator

CSK:tt Enclosure

CC:

William A. Bonnet Dean K. Matsuura

Thomas W. Williams, Jr. Esq.

Peter Y. Kikuta, Esq.

For example, the HECO representatives who would have been involved in developing the procedural schedule and the Consumer Advocate were involved in the settlement discussions for the HELCO rate case. In addition, the Consumer Advocate was involved in settlement discussions for three other rate proceedings, i.e., Docket Nos. 05-0334, 2006-0423, and 2006-0442.